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Drew, John G.

The absorbing power of
usury; or, Every man...

Philadelphia

[1876?]

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THE ABSORBING POWER OF USURY; OR, EVERY MAN HIS OWN ACTUARY.

By JOHN C. DREW,

Author of "Our Currency as It Is and as It Should Be;" "Our Money Masses;" "A Financial Catechism;" "Repudiate the Repudiators;" "Blanders of the Bullionists;" "Weeds, Worms, and Bugs," etc.

PREFACED BY



F. E. Spinner

A BIOGRAPHICAL SKETCH OF
THE HON. F. E. SPINNER.

PHILADELPHIA:
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406 WALNUT STREET

332,41
Z^{v.36}
FRANCIS E. SPINNER,

LATE TREASURER OF THE UNITED STATES.

THE head and face of Mr. Spinner have been made familiar to the people of the United States on an edition of the fifty-cent postal currency, but that remarkable signature which has been written by his own hand on all the greenbacks, and printed on the bills of the National Banks, is more familiar even than his face. We chanced to meet in our office a man who was a school-mate of our subject, and we asked him about his recollections of young Spinner, and he replied instantly that he was a good fellow, but the only peculiarity about him was that he was always writing his own name; that he would practice thus by the hour; the moment he picked up a pen or pencil it was instantly at work writing "F. E. Spinner," and he contrived some very queer and singular ways of writing it. Our friend remarked, "We all thought Spinner was wasting his time in writing his name, but time has proved that that peculiarity of his has made his fortune." Undoubtedly the beautiful, unique, and uncopyable character of his signature was of service to him in making him useful to the Government; but if our readers will look at that high head, that massive brain, that stern, honest-looking face, they will find something in his appearance on which trust, confidence, and success might be predicted.

It is seldom that we find so high a head as that of Mr. Spinner, the very highest point of which represents Firmness, and outward from that Conscientiousness. Stern, sterling, stubborn integrity should characterize such an organization, and if there be anything for which Mr. Spinner is supposed to be noted, it is Firmness and integrity. The former trait has been made manifest through all his earlier years in the great Congressional strife, when he of his party stood alone for weeks voting as he thought best. His integ-

rity has been vindicated during the last fifteen years of speculation and rascality in high places, for he has always been like a bull-dog watching against tricks and dishonesty.

The anterior portion of the head is very massive, largely developed across the brows, indicating practical talent and quick perception, and is heavy and broad in the upper part, showing strong logical ability, and power to grasp subjects at their foundation, and comprehend remote causes and consequences.

Being of German origin, it is not strange that he should resemble Bismarck in the build of his face, but we can see in the developments of his head special traits which we should not attribute, in so marked a degree, to the great Prussian Premier—for insight, benevolence and others. We believe Mr. Spinner to be a man of heart as well as of head, of sympathy as well as of strength of will and intellect.

FRANCIS ELIAS SPINNER was born January 21, 1802, in the town of German Flats, County of Herkimer, and State of New York, at the parsonage, which stood near the center of the present village of Mohawk, and was burned when he was but a week old.

His father, the Rev. John Peter Spinner, of Werbach, in the Grand Duchy of Baden, a highly-educated Roman Catholic priest, at the age of thirty-three years became a Protestant, and married Maria Brumant, of Lohr, Bavaria. Her ancestors were from Normandy, in France.

Francis was the eldest of nine children, all of whom arrived at the age of majority. The father found that he had brought his great learning to a poor market in the wilds of Western New York, and, therefore, in part because it was a German custom, and for the

reason that he saw mechanics were better paid than the learned professions, put each of his half-dozen boys out to learn a trade, which, however, not one of them practiced, each one of them choosing another pursuit in after life, for which he doubtless was better adapted. Francis had chosen for himself to become a merchant, and for a year or more was employed as a clerk in the store of Major Myers, a heavy dealer, who made his purchases himself in Europe. Myers, in the general crash of 1817, failed. Thereupon the father became more and more impressed with the idea that a mechanical trade for the boy was the proper thing; so, at the age of sixteen, he was bound out to Mr. Benne, a manufacturer and wholesale dealer in confectionery in the city of Albany. The father, two years after, on ascertaining that the son was employed as a salesman and bookkeeper, had the indentures broken, and put the young man to the trade of a saddle and harness-maker, with Mr. Francis Choate, of Amsterdam, N. Y. Here for a short time, and before he was of age, he, in partnership with Mr. David De Forest, carried on that business.

Up to his going to Albany the only instruction he received was from his father in the languages, and in reading, writing, arithmetic, and English grammar at the schools in Herkimer. At Albany he had the good fortune to become acquainted with some gentlemen who took a deep interest in his welfare. One was the late Peter Gansevoort, who gave him free access to his valuable library. While at Amsterdam he became a share-holder in the circulating library of that village, and while learning his trade read every book contained in the library. The librarian used to say, "Mr. Spinner reads more books than all our other share-holders combined." Natural history and the sciences were his favorite studies. He is still an ardent student, and says that, though he has not read a single book of any kind through in the last twenty-five years, he feels mortified if a day passes wherein he has not learned some new fact.

In 1824 he returned to his native county, and, in copartnership with Alexander W. Hackley, again commenced business at Herkimer. In 1829 he was appointed deputy

sheriff, and had the sole charge of the sheriff's office and of the county prison during the shrievalties of the Hon. John Graves and of Col. Frederick P. Bellinger, after which, in 1834, he was himself elected sheriff of the County of Herkimer, thus having charge of that office for nine consecutive years. In the mean time, he raised the "Lafayette Guards," and helped to organize the Twenty-sixth Regiment New York State Artillery. He commenced as a lieutenant of militia in 1825, and was elected to and held all the intermediate grades up to the rank of Major-General of the Third Division of Artillery, which latter office he resigned at the beginning of the year 1835, when he assumed the duties of the office of sheriff.

At the end of his term he was appointed by the Government of the State of New York commissioner for building the State Lunatic Asylum at Utica. From this office he was removed, in 1839, entirely for political reasons, on the accession to power of the Whig Party. The removal was urgently demanded from the start by the partisans of Governor Seward, but was delayed for over six months because the Governor insisted that some cause for the removal should be found. The persons seeking the removal were freely furnished with all the books and vouchers of the Commission, which, after months of examination by experts and lawyers, were declared to be correct in every particular; and on the final settlement of his accounts a small amount was found due him from the State, but it has remained undrawn ever since.

Governor Seward, in after life, used often to speak of this, saying that it was the only case that he ever knew, in his long political life, of the displacement of a public officer against whom no cause for removal could be found.

At this time, in the summer of 1830, he was invited to take the cashiership of the Mohawk Valley Bank, an institution then being organized. He accepted the position, and removed to the village of Mohawk, the place of his birth. Subsequently he was elected president of that institution. In 1845 he was invited by the Hon. Michael Hoffman, the then naval officer of the port of New York, to serve under him as his

leputy and auditor. He accepted, and held these offices for over four years.

In 1854 he was elected to represent the seventeenth District of New York, composed of the counties of Herkimer and St. Lawrence, in the Congress of the United States. This was the memorable Congress that spent the winter without an organization of the House of Representatives. In this long contest he was the only member who had been regularly nominated by the Democratic Party (he voted for Mr. Banks for Speaker, and out for his obstinate adherence to that candidate, the contest would probably have ended with a different result.

During this Congress he was a member of the Committee on Elections that had the famous contested seat from Kansas committed to its charge. In this Congress he served on various special committees, among which were the one to investigate the outrage upon Senator Sumner, and that famous Committee of Conference that agreed to disagree on the Army Appropriation Bill. On this committee Messrs. Orr and Campbell, of the House, and Messrs. Douglass, Seward, and Combs, of the Senate, were his associates.

During the session of this Congress the Republican Party was formed. To the next, the Thirty-fifth Congress, he was elected a Republican by over nine thousand majority, and to the thirty-sixth by a like majority. In the latter he was placed, by Mr. Speaker Pennington, Chairman of the Committee on Accounts.

At the close of the last session of this Congress, in March, 1861, he was invited by Governor Chase, the then newly-appointed Secretary of the Treasury, to take the office of Treasurer of the United States. His nomination to this place by President Lincoln was the only one whose confirmation was resisted by the then Democratic majority of the Senate, but was at length, after the examination of witnesses, and after a three days' debate in secret session, confirmed by the helping votes of loyal Democratic Senators, among whom were Andrew Johnson, Stephen A. Douglas, and James W. Nesmith.

Mr. Spinner entered upon his duties as United States Treasurer March 22d, 1861, and was during his long occupancy ever faithful and at his post, keeping a strict eye upon

the people's money. His praise is now upon the lips of the people, and they regret to lose his services in this most responsible place.

In some quarters it has been intimated that Mr. Spinner's bold advocacy of views relating to the currency in advance of many of our other officials, if not of the majority of the people, had something to do with his resignation. At any rate, it could not be his advanced age, for he is vigorous in health and active and spirited in mind, all that could be desired in such respects.

An office like that of United States Treasurer might open many avenues to gain, apart from what are usually known as *pickings*, but Mr. Spinner has availed himself of none of these, and retired from his place with only a very modest competence. It was in view of this fact that some of his friends, a short time after his resignation, proposed to raise a sum of money which should constitute a fitting testimonial of the nation's appreciation of his services. To this proposition Mr. Spinner made the following honorable and most characteristic reply:

"I must, from convictions of duty and from what I believe to be right and proper, most respectfully decline the contemplated pecuniary aid as proposed. The conviction in my own mind that I have conscientiously done my duty, though not more, yet my whole duty to my fellow-countrymen, individually and collectively, and the knowledge evinced by proof like your testimony, is recompense enough to satisfy for all the cares, anxieties, privations, and sacrifices that have been voluntarily and cheerfully made during the long years of our struggle for national existence, and ever since that time. I have but three children to provide for. Having always believed that \$10,000 left to a child is as well as, if not better than, a much larger sum, I have never desired to be rich, nor to leave to each of my heirs more than that amount of money. Unless again overtaken by misfortune, through the misconduct of others, I am now able to do that. This, with an honest reputation, will be a legacy that should satisfy my children; and the knowledge that my services are appreciated by good and true men, whose good opinion I covet above all material things, fully satisfies me."

GEN. SPINNER ON AMERICAN FINANCE.

A recent letter of our late guardian of the National Treasury contains some brief but very pertinent allusions to the need of reform in our currency system.

We quote:

"WASHINGTON, August 16th, 1875.

"MY DEAR SIR:

"* * * It is my intention to spend my next winter at Jacksonville, in Florida, where I have taken a house, and where I hope to have leisure to resume my long-neglected studies in natural history and kindred subjects.

"I had made up my mind that when I left the Treasury never again to meddle with or even think of politics, or of anything in any way connected therewith, and to seek that peace and quiet of mind and bodily rest that a man at the age of seventy-three, who has been actively engaged, mind and body, for more than a half a century, so much needs. But it now seems to be somewhat doubtful whether I will be able to carry out that resolve.

"* * * Educated as I was in the hard money school, I have had hard work to unlearn what I was taught as being truisms in political economy, and to rid my mind from preconceived and, as I now believe, erroneous ideas.

"My experience in the Treasury has been to me a very practical school, and I must have been blind not to have seen the errors of the popular theories that have been so

long accepted as settled truths by the various commercial peoples of the world.

"* * * I hope to live yet long enough to see Congress make a beginning in the right direction, by passing an act authorizing the issue of a bond bearing a low rate of interest, that can, at the will of the owner, be at any time convertible into a legal tender Government note, and the note, in like manner, convertible into such a bond.

"This once accomplished, and working, as you and I believe it will work, for the benefit of the whole people, other important and beneficial reforms would soon follow. The Shylocks foresee all this; hence their fierce opposition. * * *

"The interest on the bonds of the Pacific Railroad, guaranteed by the Government, is payable in CURRENCY. Notwithstanding this fact, on account of having a longer time to run, and there being no option for their redemption until their maturity, they command two per cent. more in the market than the regular bonds of the Government that bear the same rate in GOLD when the option of redemption by the Government exists.

"My last official report, as written, was packed with my other effects, and sent to Jacksonville. I have no copy of it. I will probably not go to Florida till next November; and as there are twenty odd boxes, and I don't know in which particular one it is, it can't be found until I go there. I will then look it up, and, if my friends wish it, will then publish that part which was eviscerated from the body."

D. D. Spinner

ABSORBING POWER OF INTEREST ON MONEY.

EVERY ONE HIS OWN ACTUARY.

THIS theme has been perhaps more fully discussed, and through longer periods, than perhaps any other now before the people, and the objective point of elucidation—that is, it being granted that money being an indispensable factor in production and exchange thereof, what compensation is it entitled to as contrasted with capital and labor—seems as distant and as obscure as ever.

In Hebrew theocracy, when the church was the state, Moses, as the direct mouthpiece of the Almighty, most unequivocally prohibited the taking of interest on money or merchandise from the Jews, but especially permitted it to be taken from all outsiders.

This, from a national standpoint, was a shrewd statesmanship, though not as clearly demonstrated then mathematically as it now is that by usury the lender, whether an individual or a nation—with interest more cumulative than production—was sure to absorb the borrower.

Agnes after, when the work of "reconstruction" of the ruined walls of Jerusalem was in progress, perhaps from the ravages of war, perhaps for assessments for improvements, certainly to pay high taxes, an earnest cry of distress from the people came to Nehemiah (see Chapter V), complaining that they had been forced to mortgage their homes for food, so fearful were their exigencies, and others had incurred the same liabilities to pay their taxes, then termed "the king's tribute."

Another class (perhaps those who had no houses and lands) complained that they had been forced to send away from home their sons and daughters to earn the required means, and the condition of things showed no prospect of alleviation. As these oppressions came from their own fellow-citizens, in utter disregard of the spirit and letter of the Mosaic teachings, the grand old patriarch was exasperated, as he says, Chap. V., verse

6, "I was very angry when I heard their cry and these words."

But unlike many of our present agitators, who would have simply held mass meetings, and "cussed" things generally, he went straight to the "rulers and the nobles," as he called them, and, with a scathing sarcasm never surpassed, he showed to them the miserable inconsistency of freeing their countrymen from slavery to the foreigner, only to reconstitute the same relation to their own neighbors by the more insidious but not less deadly means of usurious interest.

And having pointed out to them the ridiculous inconsistency of their practices as contrasted with their precepts in the eyes of other nations, which was especially a sensitive point with the Jews, deeming themselves (as we do ourselves) the very pattern of excellence, he waited for a response.

As no one "put in a rejoinder," he concisely put the question thus (10th verse): "I pray you let us leave off this usury."

Apparently without a dissenting voice the motion was carried in the affirmative, when Nehemiah swore in the priests, that the spirit and letter of the law should be observed.

And that no element of earnestness and solemnity should be wanting, the grand old functionary said (verse 13):

"And I shook my lap" (probably his apron), "and said, *So God shake out every man from his house and from his labor that performeth not his promise; even thus be he shaken out and emptied.*"

After the customary religious exercises the meeting adjourned, and the chronicler reports that the obligations then entered into were faithfully complied with.

Nehemiah included in the above-defined concession the restoration of the real estate, "also the hundredth part (1 per cent.) of the money, the corn, the wine, and the oil."

Commentators think that the 1 per cent. adverted to was the monthly rate, say 12 per cent. per year, payable "in kind."

Adam Smith tells us that Brutus, "the noblest Roman of them all," lent money in the first century before the birth of Christ, in Cyprus, at 48 per cent. per year; but under Alexander Severus, A.D. 280, the rate at Rome was fixed by statute at 4 per cent. In Athens the rate wavered from 10 to 36 per cent.

Both Catholics and Protestants seem to have united in combating the principle of usury, as no Christians until the fifteenth century were allowed to receive interest. The Protestant republicans of England under Cromwell reduced the rate to 6 per cent. This reduction worked so well that under Queen Anne (1714) the rate was reduced to 5 per cent.

The range in Great Britain of actual rates, as indicated by the price of consols, from 1731 to 1857 has been from 2½ to 5 per cent., with occasional oscillations, say April 22d, 1853, to 2 per cent., and November 9th to 10th, 1857, to 10 per cent., which is there deemed the panic point.

From 1857 to the present time the average rate of interest has there been considerably higher than during the previous century and a half, which is deemed by many as the cause, by others the effect, of her present decadence.

We ascribe England's decline, as contrasted with the simultaneous advance of France, largely to this cause, as English legislation has not, unlike the French, secured a supply of money apportioned to the demand, which neglect has resulted—

1st. In keeping her rates of interest for the use of money so high, as compared with the earnings of production, as to cripple the latter; and—

2d. By the violent fluctuations of her money market induced a feverish condition entirely unknown across the channel.

And if we are correct in this theory as regards England, what must be the effects of our most fearfully higher rates as compared with hers.

Thanks to the nineteenth century, whose mathematicians are as untiring as her mechanics (God bless both), we are better prepared than the grand old Nehemiah was to analyze the causes of national and personal prosperity and disaster, and propose in this

brief essay to place such facts, data, and tools in the hands of our readers that in the long winter evenings they can figure out problems themselves, without sending to the stores of the millennium for statistics in this matter, when they can make them satisfactory enough at home.

We will first condense the elaborate tables prepared by the Hon. Alexander Campbell, of La Salle, Ill., showing the actual increase in quantities of improved lands and agricultural products for the decades ending 1860 and 1870.

These show, statistically, increase from 1850 to 1860, per year, 3½ per cent.; increase from 1860 to 1870, per year, ½ per cent., or less than 1 9-10 per cent. per year for the 20 years ending 1870, as per census returns.

As the last half of this period was marked by unparalleled destruction by war, thus reducing the inventory of products, we will only consider the increment of the first half, say 3½ per cent., or, for facility in figures, call it 3 per cent.

The other tools are two tables, I and II, showing the increment of \$1 each year for the use of the same at 3, 4, 5, 6, 8, and 10 per cent. from 1 to 100 years.

Also two tables, III, and IV, showing the increment of \$1 compounded at the same rates and for the same periods of time. For the use of these tables we are indebted to Messrs. Wynkoop & Hallenbeck, as they are taken from their reprint of Mr. Wolford's valuable work on Life Insurance.

By tables I and II, we see that if we had paid the same national rate of interest that England does, 3 per cent., the Presidential salary from the times of Washington, 1783 to 1873—90 years—at \$25,000 per year, would result thus:

For each dollar per year refer to the figure in the 3 per cent. column of Table II., opposite 90 years, and by applying the rule marked †, we get \$456.65; multiply that amount by 25,000, and the result is \$11,416,250. If we had paid, as we did, at least 6 per cent., the result would have been \$83,238,500; or, although 6 is but twice 3, yet the result is seven times greater. If the present salary of \$50,000 had been paid, the result in each instance would, of course, have been doubled.

COMPOUND INTEREST TABLE-1.†

The amount of *One Dollar each Year* in any number of Years.

Years.	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	8 per Cent.	10 per Cent.	Years.
1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1
2	2.0300	2.0400	2.0500	2.0600	2.0800	2.1000	2
3	3.0909	3.1216	3.1523	3.1830	3.2446	3.3100	3
4	4.1856	4.2464	4.3101	4.3746	4.5061	4.6410	4
5	5.3061	5.4166	5.5266	5.6371	5.8666	6.1051	5
6	6.4634	6.6830	6.9019	7.1208	7.4800	7.7916	6
7	7.6623	7.9883	8.3140	8.6398	9.1500	9.6512	7
8	8.9032	9.3414	9.7801	10.2188	10.8600	11.4939	8
9	10.1861	10.7388	11.2926	11.8463	12.6400	13.4379	9
10	11.4628	12.0601	12.6579	13.2556	14.2400	15.2243	10
11	12.8078	13.4664	14.1268	14.7871	15.9200	17.1912	11
12	14.1920	14.9233	15.6571	16.3914	17.7600	18.8439	12
13	15.6178	16.4208	17.1710	17.9213	19.8400	21.0212	13
14	17.0863	18.0019	18.7686	19.5349	22.0200	23.2512	14
15	18.5980	19.6226	20.4066	21.1786	24.2400	25.5512	15
16	20.1536	21.3345	22.1926	22.9636	26.5600	27.9212	16
17	21.7546	23.1387	24.0286	24.8086	29.0000	30.3712	17
18	23.4014	25.0354	25.9153	26.7133	31.5600	32.9012	18
19	25.1040	27.0247	27.9483	28.6873	34.2400	35.5112	19
20	26.8734	29.1066	29.9900	30.7303	37.0400	38.2012	20
21	28.7106	31.2912	32.1526	32.9433	40.0000	40.9712	21
22	30.6166	33.5797	34.4371	35.2283	43.1200	43.8212	22
23	32.5924	35.9722	36.8539	37.5853	46.4000	46.7512	23
24	34.6390	38.4697	39.3936	40.0163	50.0000	49.7612	24
25	36.7576	41.0722	41.9573	42.5213	53.8400	52.8412	25
26	38.9492	43.7807	44.6160	45.1013	57.9200	55.9912	26
27	41.2248	46.5952	47.3907	47.7563	62.2400	59.2112	27
28	43.5854	49.5167	50.2824	50.4873	66.8000	62.5012	28
29	46.0320	52.5452	53.2911	53.2943	71.6000	65.8612	29
30	48.5656	55.6817	56.4168	56.1793	76.6400	69.2912	30
31	51.1872	58.9262	59.6605	59.1393	81.9200	72.7912	31
32	53.8978	62.2797	63.0242	62.1743	87.4400	76.3612	32
33	56.6984	65.7422	66.5079	65.2843	93.2000	79.9912	33
34	59.5900	69.3147	70.0916	68.4693	99.2000	83.6912	34
35	62.5726	72.9972	73.7853	71.7293	105.4400	87.4612	35
36	65.6472	76.7907	77.5890	75.1643	111.9200	91.2912	36
37	68.8148	80.6952	81.4927	78.6743	118.6400	95.1812	37
38	72.0754	84.7107	85.5964	82.2593	125.6000	99.1312	38
39	75.4290	88.8372	89.8001	85.9193	132.8000	103.1412	39
40	78.8756	93.0747	94.1038	89.6543	140.2400	107.2112	40
41	82.4142	97.4222	98.5075	93.4643	147.9200	111.3412	41
42	86.0458	101.8797	103.0112	97.3493	155.8400	115.5312	42
43	89.7704	106.4472	107.6149	101.3093	164.0000	119.7812	43
44	93.5890	111.1247	112.3186	105.4443	172.4000	124.0912	44
45	97.5026	115.9122	117.1323	109.7443	181.0400	128.4612	45
46	101.5112	120.8097	122.0560	114.2093	190.0000	132.8912	46
47	105.6148	125.8172	127.0897	118.8393	199.2000	137.3812	47
48	109.8134	130.9347	132.2334	123.6343	208.6400	141.9312	48
49	114.1070	136.1622	137.4871	128.5943	218.3200	146.5412	49
50	118.4956	141.5097	142.8508	133.7193	228.2400	151.2112	50

† This table shows the amount at the *beginning* of each year.
To learn the amount at the *end* of each year, add to the amount in the table one year's interest, or, deduct \$1 from next succeeding amount.

EXAMPLE.—Required the amount at the *end* of 35 years at 3 per cent.:

The table shows against 35 years.....\$91.4621
Add 3 per cent. interest.....1.8138

Amount required.....\$93.2759

Or, deduct \$1 from amount in table opposite next succeeding time (36 years—\$93.2759), and the result is the same.

* EXAMPLE.—\$1 per year, accumulated fifteen years, at 3 per cent. interest, will amount to \$15.00; at 4 per cent., to \$20.00; at 5 per cent., to \$21.58; at 6 per cent., to \$23.28; at 8 per cent., to \$27.15; at 10 per cent., to \$31.77.

COMPOUND INTEREST TABLE-1.†

The amount of *One Dollar each Year* in any number of years.

Years.	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	8 per Cent.	10 per Cent.	Years.
31	117.1808	127.7738	138.8154	150.3761	162.5618	175.3824	31
32	121.6462	133.0602	144.6624	156.8014	169.2154	181.4362	32
33	126.3471	138.5311	150.7490	163.4978	176.0610	187.7723	33
34	131.2835	144.1964	156.7779	170.4710	183.1141	194.3954	34
35	136.4562	150.0562	162.8571	177.7348	190.3822	201.3014	35
36	141.8651	156.1104	169.0883	185.2918	197.8586	208.5014	36
37	147.5104	162.3597	175.5717	193.1464	205.5462	216.0014	37
38	153.3929	168.8042	182.3071	201.2934	213.4482	223.8014	38
39	159.5124	175.4439	189.3064	209.7464	221.5682	231.9014	39
40	165.8699	182.2786	196.5707	218.5094	229.4082	240.3014	40
41	172.4654	189.3083	204.1100	227.5864	237.9702	249.0014	41
42	179.3099	196.5330	211.9253	236.9834	246.7562	258.0014	42
43	186.4034	203.9527	220.0266	246.7064	255.7702	267.3014	43
44	193.7559	211.5674	228.4139	256.8514	265.0142	276.9014	44
45	201.3674	219.3781	237.0882	267.3244	274.4882	286.8014	45
46	209.2389	227.3848	246.0515	278.1314	284.1922	297.0014	46
47	217.3704	235.5875	255.3048	289.2604	294.1262	307.5014	47
48	225.7619	243.9862	264.8481	300.7214	304.7902	318.3014	48
49	234.4134	252.5809	274.6914	312.5224	315.6842	329.4014	49
50	243.3249	261.3716	284.8347	324.6634	326.8082	340.8014	50

† This table shows the amount at the *beginning* of each year.
To learn the amount at the *end* of each year, add to the amount in the table one year's interest, or, deduct \$1 from next succeeding amount.

EXAMPLE.—Required the amount at the *end* of 78 years at 3 per cent.:

The table shows against 78 years.....\$301.0000
Add 3 per cent. interest.....9.0091

Amount required.....\$310.0091

Or, deduct \$1 from amount in table opposite to next succeeding time (79 years—\$311.0091), and the result is the same.

* EXAMPLE.—\$1 per year, accumulated seventy years, at 3 per cent. interest, will amount to \$300.00; at 4 per cent., to \$394.29; at 5 per cent., to \$508.58; at 6 per cent., to \$647.97; at 8 per cent., to \$780.80; at 10 per cent., to \$987.47.

Tables Nos. I. and II. are also especially convenient in analyzing the workings of life insurance—a worthy and essential demand and a out-growth of the age, but, like many other blessings, so perverted in many instances as to be not only useless, but mischievous. In fact, an earnest warfare is now imminent between the champions of equity on the one side, and the adherents of consolidated power on the other. For convenience of statement we will classify them as the Right and the King parties. The advocates of the right are eminently distinguished by their reputation for actual skill and unswerving honesty. The advocates of the ring control more than imperial resources of money and its resultants.

The party of the right say that every plain life insurance policy is based upon the following items:

Age	Component parts of the Uniform Annual Premium.				Uniform Annual Premium for \$1,000 at death.
	Margin for Expenses and Contingencies. (1)	Insurance portion of Annual Premium. (2)	Deposit portion of Annual Premium. (3)	Unlabeled (4)	
25	5.68	7.70	6.54	19.80	
30	5.83	7.70	6.81	20.30	
35	5.98	7.82	7.13	20.93	
40	6.13	7.88	7.47	21.48	
45	6.30	7.96	7.81	22.07	
50	6.40	8.03	8.18	22.70	
55	6.67	8.11	8.52	23.33	
60	6.87	8.20	8.86	24.05	
65	7.08	8.30	9.20	24.78	
70	7.30	8.40	9.56	25.56	
75	7.54	8.51	10.33	26.58	
80	7.79	8.64	10.84	27.35	
85	8.03	8.77	11.37	28.17	
90	8.33	8.93	11.89	29.15	
95	8.62	9.10	12.47	30.19	
100	8.95	9.29	13.06	31.30	
105	9.28	9.49	13.70	32.47	
110	9.64	9.71	14.37	33.72	
115	10.02	9.96	15.08	35.05	
120	10.42	10.24	15.80	36.46	
125	10.85	10.55	16.57	37.97	
130	11.31	10.92	17.35	39.58	
135	11.80	11.32	18.15	41.30	
140	12.33	11.79	19.02	43.13	
145	12.88	12.34	19.97	45.09	
150	13.48	12.97	20.73	47.18	
155	14.11	13.67	21.62	49.40	
160	14.80	14.45	22.53	51.78	
165	15.54	15.32	23.47	54.31	
170	16.39	16.30	24.43	57.02	
175	17.12	17.38	25.41	59.91	
180	18.00	18.60	26.40	63.00	
185	18.94	19.98	27.42	66.29	
190	19.95	21.60	28.47	69.88	
195	21.09	23.04	29.53	73.69	
200	22.18	24.55	30.60	77.63	

They argue that the third column, which, to all intents and purposes, is identical with

a savings bank deposit, had better be retained and invested by the insured either by deposit in savings bank or otherwise, and give the following reasons:

1st. Even in economical Massachusetts, as per her Insurance Commissioner's Report for 1874, the life insurance companies reported the cost of the care of the fiduciary deposits at about \$6.50 on the \$100, while the savings banks performed the same service for 26 cents on the \$100.

2d. Notwithstanding the high cost of the insurance companies' administration, its results were estimated at about 4 per cent., while the savings banks reported above 6 per cent.

3d. The savings banks pay their depositors in full, while the companies seldom will pay more than 50 cents on the dollar on their fiduciary deposits, which they term reserve.

Even that elevated and dignified functionary, the Insurance Commissioner of Massachusetts, said, in his report for 1872:

"No ownership on the part of the policyholder in the reserve is recognized; nor is any legal right to withdraw any part of it recognized. The policyholder is entitled to a performance of the stipulations entered into with him by the company, and to that only."

Sheppard Homans told the American Social Science Association, at Detroit, May 13, 1875:

"* * * The omission to pay any one premium will, by the terms of the contract, work a forfeiture of the insurance, and a confiscation of the deposit portions of all previous payments. Such stringent penalties are not necessary in a contract of life insurance, and would never have been assented to had policyholders understood their true interests."

This we can not believe to be always the case, although Elizur Wright, perhaps the most prominent actuary in the world, at the same meeting was equally forcible and explicit.

With table No. I., and the abstract above given, the reader, if he can procure a table of "expectations," can figure the results near enough for all practical purposes. We will illustrate by an example. (See page 8.)

COMPOUND INTEREST TABLE—III.
The amount of One Dollar for any Number of Years.

Years.	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	8 per Cent.	10 per Cent.	Years.
1	1.0300	1.0400	1.0500	1.0600	1.0800	1.1000	1
2	1.0609	1.0816	1.1025	1.1236	1.1664	1.2100	2
3	1.0927	1.1249	1.1576	1.1910	1.2567	1.3310	3
4	1.1255	1.1609	1.2155	1.2625	1.3605	1.4641	4
5	1.1593	1.2167	1.2763	1.3282	1.4603	1.6105	5
6	1.1941	1.2633	1.3401	1.4185	1.5899	1.7716	6
7	1.2299	1.3139	1.4071	1.4936	1.7138	1.9187	7
8	1.2668	1.3686	1.4725	1.5638	1.8509	2.1436	8
9	1.3048	1.4233	1.5313	1.6285	1.9960	2.3979	9
10	1.3439	1.4802	1.6289	1.7308	2.1589	2.5937	10
11	1.3842	1.5395	1.7103	1.8383	2.3316	2.8311	11
12	1.4258	1.6010	1.7959	1.9512	2.5182	3.1384	12
13	1.4685	1.6651	1.8856	2.1329	2.7196	3.4723	13
14	1.5136	1.7317	1.9799	2.3000	2.9372	3.7975	14
15	1.5600	1.8000	2.0780	2.4666	3.1722	4.1773	15
16	1.6077	1.8709	2.1829	2.6404	3.4279	4.5950	16
17	1.6568	1.9479	2.2920	2.8228	3.7000	5.0545	17
18	1.7074	2.0338	2.4066	2.9543	3.9969	5.5509	18
19	1.7593	2.1068	2.5270	3.0926	4.3157	6.1159	19
20	1.8061	2.1911	2.6533	3.2371	4.6601	6.7274	20
21	1.8603	2.2788	2.7860	3.3896	5.0328	7.4062	21
22	1.9161	2.3699	2.9253	3.5493	5.4365	8.1460	22
23	1.9736	2.4647	3.0715	3.8197	5.8715	8.9543	23
24	2.0328	2.5633	3.2251	4.0480	6.3412	9.8407	24
25	2.0938	2.6658	3.3864	4.3019	6.8485	10.8047	25
26	2.1566	2.7725	3.5537	4.5844	7.3964	11.9182	26
27	2.2213	2.8834	3.7255	4.8223	7.9881	13.1100	27
28	2.2879	2.9987	3.9020	5.1117	8.6271	14.4210	28
29	2.3566	3.1187	4.1162	5.4184	9.3173	15.8651	29
30	2.4273	3.2434	4.3219	5.7435	10.0627	17.4484	30
31	2.5001	3.3731	4.5380	6.0881	10.8677	19.1943	31
32	2.5751	3.5081	4.7649	6.4534	11.7371	21.1138	32
33	2.6523	3.6484	5.0032	6.8406	12.6701	23.2272	33
34	2.7319	3.7943	5.2533	7.2511	13.6693	25.5477	34
35	2.8139	3.9461	5.5160	7.6861	14.7383	28.1024	35
36	2.8983	4.1039	5.7918	8.1473	15.8822	30.9127	36
37	2.9852	4.2681	6.0814	8.6368	17.1036	34.0039	37
38	3.0748	4.4388	6.3855	9.1543	18.4233	37.4043	38
39	3.1670	4.6164	6.7048	9.7005	20.1153	41.1448	39
40	3.2620	4.8010	7.0400	10.2857	21.7945	45.2590	40
41	3.3599	4.9931	7.3920	10.9029	23.4625	49.7852	41
42	3.4607	5.1928	7.7616	11.5570	25.3395	54.7637	42
43	3.5645	5.4005	8.1497	12.2505	27.3606	60.2401	43
44	3.6713	5.6163	8.5572	12.9853	29.5569	66.3441	44
45	3.7816	5.8411	8.9850	13.7646	31.9294	72.9603	45
46	3.8950	6.0748	9.4343	14.5905	34.4741	80.1795	46
47	4.0119	6.3178	9.9060	15.4659	37.2320	88.1975	47
48	4.1323	6.5705	10.4013	16.3929	40.2106	97.1723	48
49	4.2562	6.8333	10.9213	17.3775	43.4274	106.7190	49
50	4.3839	7.1067	11.5674	18.4202	46.9016	117.9009	50

* EXAMPLE.—\$1 accumulated for fifteen years, at 3 per cent. interest, will amount to \$1.56; at 4 per cent., or \$1.89; at 5 per cent., to \$2.08; at 6 per cent., to \$2.40; at 8 per cent., to \$3.17; or at 10 per cent., to \$3.45.

If it is desired to learn what \$1, at any given interest, compounded from the date of the settlement of Virginia in 1667, would amount to in 1875—say 208 years—multiply the result of 100 years by 100 years (this gives result in 200 years), and multiply that result by 68, and you have the required amount. To prove the correctness of which, take other numbers of years, the sum of which amounts to 208—say 89, 89, and 30—and multiply the amount upon position then together; or take four factors—say 17—and multiply together four factors.

These processes, while familiarizing students with the amazing power of compounding interest, will fix indelibly on their minds the utter absurdity of attempting to pay, or expecting to receive, a greater per centage for interest than the creative power of industry can produce.

The amount of *One Dollar* for any Number of Years

* EXAMPLE.—\$1 accumulated for seventy years, at 3 per cent. interest, will amount to \$7.92; at 4 per cent., to \$15.57; at 5 per cent., to \$30.43; at 6 per cent., to \$59.08; at 8 per cent., to \$218.61; or at 10 per cent., to \$789.75.

To find the results of a dollar compounded a number of years beyond the limit of the table, multiply together the sums set opposite to such two or more periods as, added together, will produce the required time.

EXAMPLES.—Wanted, the amount of one dollar, at 3 per cent. for 103 years.
The sum of 103 can be produced by very many combinations, but we will select—

31 years, and find opposite.....	2,500
72 " " "	8,000

Multiply these together, and we find the result to be.....21,000

To prove the same, select other figures producing 103 when added, say—
100 years, resulting..... 10 2182

100 years, reading	19.2189
3	1.0927

Multiply together, and the same result ensues.

together, and the same result ensues.

the borrower to produce, and most clumsily and empirically saved themselves by repudiation of the entire principal, and a part of the interest of their national debt, by merging or lumping all its varieties into what they term "consolidated annuities," usually abbreviated to "consols." The principal of these bonds is never to be paid, being defined by them as "interminable annuities," by which they mean that the interest (3 per cent.) is payable forever, and principal never.

A theory obtains with the Greek that the price of "consols" is an indicator of the rates of interest, and we have, at this time of writing, a table before us purporting to quote the rates of interest in England from 1731 to now, a bit arbitrarily cast in this manner: For instance, in 1788 it quotes consols at 75 per cent., and at interest 4 per cent.; resulting by the rule of three thus: If an investment of £75 cash, or \$ 75 in a £100 (\$500) consol pays £9 (\$15) per year, what is the rent of interest on £ 00 (\$500) cash? result, £4 (£80), or 4 per cent.

That such theory is erroneous is shown by the next quotations, clipped from a late London *Economist*:

A corresponding dates	July 5, 1875.	July 8, 1875.	July 7, 1875.
C in and bullion.....	16,073,359	22,474,582	21,758,428
Bank rate of discount, 3 per ct.	5 per ct.	5 per ct.	3 per ct.
Price of Consols.....	90 1/2 ad	90 1/2 ad	91 1/2 ad
Average price of wheat 41s 6d	59s 11d	42s 6d	

We would say, in passing, that the above table explodes also two other popular fallacies, to wit:

1st, That the rate of interest in England runs up and down exactly in accord with the contraction or expansion of the reserve of specie. 2d, That gold is the regulator of values, as the noted vacillations of the price of wheat is entirely at variance with the movements of gold.

Although these points are deserving of more than a mere mention, comments on them would divert us from the subject-matter now in hand, which is that the price a Government pays for the use of money, and not gold and silver, is the controlling regulator of the rates of interest and values generally.

HISTORIC REVIEWS.

Hardly had the barbaric usages of barter been superseded by the labor-saving machinery of money as an instrument to effect ex-

changes, than the more shrewd men and classes which had in ruder ages by force absorbed the surplus of production strove by manipulating this new factor of society to maintain and increase their former predatory gains. History tells us that the rates of usury in Rome and Greece ranged from 10 to 48 per cent. per year, and that this was rapidly followed by diverging conditions of two classes of society, to wit: the lenders and the borrowers.

The Greek legislators strove to control this tendency, rather stupidly confounding us with abuse, and tried to stamp out money entirely by making it of iron, in the hope of forcing the people into every other expedient to effect their exchanges, rather than to use this clumsy money. Doubtless they argued that this restrictive character would, by lessening the demand, diminish the cost of its rental.

Sir Archibald Allison was most profoundly impressed with the demoralizing and destructive effect of the usurious element on national existence.

He says, in his "History of Europe, 1815 to 1852," Chapter I:

"Many of the greatest changes which have occurred in the world—in particular, the fall of the Roman empire—may be distinctly traced to the long-continued operation of this pernicious tendency * * * For the evils complained of arose from the unavoidable result of a stationary currency, coexisting with the rapid increase in the numbers and transactions of mankind; and these were only aggravated by every addition made to the energies and productive powers of society."

Again he says:

"But if an increase in the numbers and industry of men coexists with a diminution of the circulating medium by which their transactions are carried on, the most serious evils await society, and the whole relations of its different classes to each other will be speedily changed."

Great Britain was rapidly following in the same downhill steps when she was arrested in her suicidal course by the wise legislation of the commonwealth, which reduced her rate of interest to the maximum of 6 per cent. Why those eminent statesmen fixed even so high a rate is inexplicable, as the little prov-

ince of Holland had for years got all it wanted at 4 per cent.

HISTORY OF THE BRITISH NATIONAL DEBT.

Although Hume quotes from the Journal of the House of Commons of March 20th, 1689, that the indebtedness of the nation was then £1,054,925 (about \$5,300,000), we are inclined to the opinion that such was but the footing of floating obligations, as we find by the same journal that nearly four years later (Dec. 15th, 1692) the House of Commons went into Committee of the Whole on Ways and Means, and a bill was introduced to fund £1,000,000 (\$5,000,000) at 10 per cent. interest until the year 1700, when the rate was to be reduced to 7 per cent. On the 20th of January, 1693, it was read a third time, passed, taken up to the House of Lords, and carried without amendment. The only apology we can imagine for proposing to bind the nation to such a devastating rate of usury, when Holland (whose experience had suggested to King William the expedient) had so long only paid 4 per cent., and the maximum rate among the people had been fixed under Cromwell at 6 per cent., is that they were engaged in an exhausting war with France, under Louis XIV., and felt themselves justified by the emergency. Only four years thereafter, on the conclusion of peace, the aggregate indebtedness had swollen to £30,000,000 (\$350,000,000), and in the complications as to the Austrian Succession it ran up to £80,000,000 (\$400,000,000).

The French war, which immediately preceded our Revolution, increased it to £140,000,000 (\$700,000,000); and John Bull, in an attempt to make the American colonies carry a part, was so successful as to goad us into independence, and increase his debt £100,000,000 (\$500,000,000)—making the sum total of the same, £240,000,000 (\$1,200,000,000). This figure was increased by the Napoleonic wars to £800,000,000 (\$4,000,000,000) in 1815, at which figure it has stuck ever since.

In the above compilation we have consulted but two authorities, to wit: Hume (Tory) and Macauley (Whig), and it seems strange that though both give circumstantial evidence on other points, neither says one word as to how and when the promise to pay the principal of the debt was repudi-

ated, and the higher rate of interest of 7 per cent. was substituted by the lower of 3 per cent.!

Our present and very earnest purpose is to learn if it is possible for us, as citizens and as a nation, to avoid the repudiation which England was driven to by attempting to pay larger usury than her production could earn, a matter pressing most closely and urgently upon us, if the teachings of Greece, Rome, and England amount to anything, as we are fast traveling the road which led the two former to ruin and the latter to repudiation. As England pays but 3 per cent., and that to her own citizens, subject to taxation and not re-embursable, and as we agree to pay, and largely to foreigners at that,

Interest.....	6 per cent.
With exemption from taxation, amounting to 5 " "	
We should have for sinking fund for redemption.....	2 " "

Hence our yearly obligation is equal to 10 " "

or more than three times that of England, and more than three times what our productive industries, especially farming, can earn. And the fact that England owes her debt to her own citizens, while we persistently urge ours upon the foreigner in preference to Americans, is too mighty a factor in our future history to command as little attention as it does.

The one experience of Ireland—a land unexcelled for natural resources, devastated by an absentee landlordism, drawing £1.35 per head each year, while our foreign bondholders even now draw at the rate of \$3.50 per year for every man, woman, and child in the country—should warn us to stop this system at once, and not issue another bond for the foreign market.

Macauley, after exhorting Adam Smith and other fossils, ascribes the great comparative money-strength of England to the fact that her creditors are her own subjects; thus "They (the critics) erroneously imagine that there was an exact analogy between the case of an individual in debt to another and a society in debt to part of itself." If we can reduce our rate of interest to the English standard—3 per cent., subject to taxation—and add to that 1 per cent. as a sinking-fund for general liquidation, we shall have fully as much as we can carry direct as a produc-

ing nation; and the current rates thereby induced would be the very outside limits that our farmers and manufacturers can bear, live, and compete with foreign producers. And as an interesting coincidence of intelligent witnesses, we will here remark, that long before Judge Campbell presented his valuable statistics to the nation, Nathan Rothschild told a prominent American that any nation which agreed to pay more than 4 per cent. for a large loan, and especially for a long time, was sure to land in bankruptcy. DEMONSTRABLE RESULTS AS TO THE NATION.

The amount of our interest-bearing national debt, July 1st, 1875, was \$1,709,491,300. As the interest on the same will easily average 6 per cent., a reduction to 3 per cent. would effect an annual economy of \$51,284,739. With this economy we could easily appropriate a sinking-fund of 1 per cent., or \$17,094,130, which, invested at that rate each year, would, in less than forty-seven years, pay off the entire national debt. (See Actuarial tables.)

DEMONSTRABLE RESULTS AS TO INDIVIDUALS.

Imagine a farmer, say John Smith, with

A farm worth, say.....	\$10,000
Stock worth, say.....	5,000
Total.....	\$15,000
He owes a mortgage of.....	5,000
His equity, or net ownership, is.....	\$10,000

With the hardest work and closest economy he can clear $3\frac{1}{2}$ per cent. on the gross investment, say \$500; he pays interest on \$5,000, at 10 per cent., \$500, and has nothing left, and is breaking down with hard work, anxiety, privation, and increasing years.

If the Government rate should be 3 per cent., Mr. Smith might, perhaps, have to pay 4 per cent., which would be \$200 per year, leaving from his \$500 earnings \$300 per year sinking-fund for ultimate extinction of the incumbrance. This \$300, each year invested at 4 per cent., by payment on principal or loaning to a neighbor on good security, would, at the end of twelve years, amount to \$5,013.90, which would clear his place handsomely—a much more desirable result than the fashion which is daily getting more in vogue of being sold out by the sheriff, with, perhaps, a judgment written up against him.

We are now the laughing-stock and by-word of all civilization, that, with our professed free institutions, regard for the rights of humanity, natural endowments, and individual intelligence, we are more the slaves of usury and usurers than any other civilized nation. Shall we change this? If not, why not?

JOHN G. DREW.

ELIZABETH, N. J.

To Editors, Printers and Publishers:

Since the publication of the preceding pages in Magazine form, there have been many queries if duplicates of the table plates therein contained could be procured, and if yes, where and at what cost.

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